

WORKFORCE INVESTMENT BOARD #82
Monroe, Louisiana

Annual Financial Statements

As of and for the Year Ended
June 30, 2014

WORKFORCE INVESTMENT BOARD #82
Monroe, Louisiana

Annual Financial Statements

As of and for the Year Ended June 30, 2014

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WORKFORCE INVESTMENT BOARD #82
Monroe, Louisiana
Annual Financial Statements
As of and for the Year Ended June 30, 2014

C O N T E N T S (Contd.)

**Independent Auditor's Reports Required by
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M. CARLEEN DUMAS
Certified Public Accountant
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Independent Auditor's Report

BOARD OF DIRECTORS
WORKFORCE INVESTMENT BOARD #82
Monroe, Louisiana

Report on the Financial Statements

I have audited the accompanying financial statements of the governmental activities and major fund of Workforce Investment Board #82 (the "Board"), as of and for the year ended June 30, 2014, and the related notes to the financial statements, which collectively comprise the Board's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

My responsibility is to express opinions on these financial statements based on my audit. I conducted my audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that I plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, I express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my audit opinions.

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BOARD OF DIRECTORS
WORKFORCE INVESTMENT BOARD #82
Monroe, Louisiana
Independent Auditor's Report
June 30, 2014

Opinions

In my opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities and major fund of Workforce Investment Board #82, as of June 30, 2014, and the respective changes in financial position thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the Management's Discussion and analysis on pages 6 through 8 be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. I have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge I obtained during my audit of the basic financial statements. I do not express an opinion or provide any assurance on the information because the limited procedures do not provide me with sufficient evidence to express an opinion or provide any assurance.

Other Information

My audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Workforce Investment Board #82's basic financial statements. The Schedule of Expenditures of Federal Awards is presented for purpose of additional analysis as required by U. S. Office of Management and Budget Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*, and is not a required part of the basic financial statements.

The Schedule of Expenditures of Federal Awards is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In my opinion, the Schedule of Expenditures of Federal Awards is fairly stated, in all material respects, in relation to the basic financial statements taken as a whole.

BOARD OF DIRECTORS
WORKFORCE INVESTMENT BOARD #82
Monroe, Louisiana
Independent Auditor's Report
June 30, 2014

In accordance with *Government Auditing Standards*, I have also issued my report dated December 22, 2014, on my consideration of Workforce Investment Board #82's internal control over financial reporting and on my tests of the Board's compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of my testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Board's internal control over financial reporting and compliance.

/s Carleen Dumas
Calhoun, Louisiana
December 22, 2014

WORKFORCE INVESTMENT BOARD #82
Monroe, Louisiana

MANAGEMENT'S DISCUSSION AND ANALYSIS
For the Year Ended June 30, 2014

Our discussion and analysis of Workforce Investment Board #82's (hereafter referred to as the Board) financial performance provides an overview of the Board's financial activities for the fiscal year ended June 30, 2014. Please read it in conjunction with the Board's financial statements that begin on page 10.

BASIC FINANCIAL STATEMENTS

This annual report consists of a series of financial statements. The Statement of Net Position and the Statement of Activities on pages 10 and 11 provide information about the activities of the Board as a whole. The fund financial statements are presented on pages 12 and 13. Fund financial statements report the Board's operations in more detail than the government-wide statements.

The Statement of Net Position and the Statement of Activities

The Statement of Net Position and the Statement of Activities provide information in a way that shows the change in the Board's financial condition resulting from the current year's activities. These statements include all assets and liabilities using the *accrual basis of accounting*, which is similar to the accounting used by most businesses. All of the current year's revenues and expenses are taken into account regardless of when cash is received or paid.

These two statements report the Board's *net position* and *changes in net position*. Net position is the difference between assets (what the Board owns), liabilities (what the Board owes), and deferred inflow of resources (resources that apply to a future period) is a measure of the financial position of the Board. Over time, the increase or decrease in the Board's net position is an indicator of whether the Board's financial position is improving or deteriorating.

In the Statement of Net Position and the Statement of Activities, the Board reports only governmental activities due to the fact that all of the Board's resources are provided for and relate to workforce development under the federal Workforce Investment Act.

Fund Financial Statements

The fund financial statements begin on page 12 and provide more detailed information about the Board's funds. The Board has only one fund, the General Fund, which is reported as a governmental fund.

WORKFORCE INVESTMENT BOARD #82
Monroe, Louisiana
MANAGEMENT'S DISCUSSION AND ANALYSIS
For the Year Ended June 30, 2014

All of the services provided by the Board are accounted for in the General Fund. Governmental funds focus on how money flows into and out of the funds and the balances left at year-end that are available for spending. Governmental funds are reported using an accounting method called *modified accrual* accounting, which measures cash and all other financial assets that can be readily converted to cash. The governmental fund statements provide a detailed short-term view of the Board's operations. Governmental fund information helps to determine whether there are more or fewer financial resources that are available to be spent in the near future.

ANALYSIS OF FINANCIAL DATA

Government-Wide

On July 1, 2010, Workforce Investment Board #82 became the fiscal agent in connection with the agreements between Union Parish Police Jury (the grant recipient) and the Louisiana Workforce Commission for funding under the federal Workforce Investment Act. During this fourth year as the fiscal agent, which ended on June 30, 2014, the Board's net position decreased by \$646. Approximately 95% of the Board's revenues are from federal Workforce Investment Act grants. Program revenues of \$882,750 were all expended on workforce development programs.

	GOVERNMENTAL ACTIVITIES	
	2014	2013
Assets:		
Current assets	\$83,792	\$53,150
Liabilities:		
Current liabilities	40,451	52,772
Deferred inflow of resources	43,609	NONE
Net Position:		
Unrestricted (Deficit)	<u>(\$268)</u>	<u>\$378</u>
	GOVERNMENTAL ACTIVITIES	
	2014	2013
Expenses - workforce development	\$883,457	\$836,836
Program revenues:		
Charges for services	40,237	42,800
Operating grants	842,513	794,090
General revenues - interest income	61	23
Total revenues	<u>882,811</u>	<u>836,913</u>
Change in net position	(646)	77
Net position - beginning	<u>378</u>	<u>301</u>
Net position (deficit) - ending	<u>(\$268)</u>	<u>\$378</u>

WORKFORCE INVESTMENT BOARD #82
Monroe, Louisiana
MANAGEMENT'S DISCUSSION AND ANALYSIS
For the Year Ended June 30, 2014

Governmental Funds

The General Fund revenues, expenditures and changes in fund balance reported in the fund financial statements are the same as the revenues, expenses, and change in net position of the governmental activities in the government-wide financial statements. At June 30, 2014, the Board's General Fund reported a deficit in assigned fund balance of \$268.

FUTURE OPERATIONS

The Board expects to continue as the fiscal agent for the Workforce Investment Act grant funds awarded to Union Parish Police Jury; however, a merger with Workforce Investment Board #83 is under consideration by both boards and the Louisiana Workforce Commission. Also, effective October 1, 2014, Workforce Investment Board #83 assumed the responsibilities of fiscal agent for the Board for the year ending June 30, 2015.

BASIC FINANCIAL STATEMENTS

WORKFORCE INVESTMENT BOARD #82
Monroe, LouisianaSTATEMENT OF NET POSITION
June 30, 2014GOVERNMENTAL
ACTIVITIES**ASSETS**

Cash	\$71,175
Receivables	<u>12,617</u>
Total assets	<u>83,792</u>

LIABILITIES

Accounts payable	<u>40,451</u>
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DEFERRED INFLOW OF RESOURCES

Federal grant receipts	<u>43,609</u>
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NET POSITION

Unrestricted (Deficit)	<u><u>(\$268)</u></u>
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The accompanying notes are an integral part of this statement.

WORKFORCE INVESTMENT BOARD #82
Monroe, Louisiana

STATEMENT OF ACTIVITIES
For the Year Ended June 30, 2014

	GOVERNMENTAL ACTIVITIES
Expenses - workforce development	<u>\$883,457</u>
Program revenues:	
Charges for services	40,237
Operating grants	<u>842,513</u>
Total program revenues	<u>882,750</u>
Net revenue (expense)	(707)
General revenues - interest earnings	<u>61</u>
Change in net position	(646)
Net position - beginning	<u>378</u>
Net position - ending (deficit)	<u><u>(\$268)</u></u>

The accompanying notes are an integral part of this statement.

Statement C

WORKFORCE INVESTMENT BOARD #82
Monroe, Louisiana

BALANCE SHEET - GOVERNMENTAL FUND
June 30, 2014

	<u>GENERAL FUND</u>
ASSETS	
Cash	\$71,175
Receivables	<u>12,617</u>
TOTAL ASSETS	<u><u>\$83,792</u></u>
LIABILITIES	
Accounts payable	\$40,451
DEFERRED INFLOW OF RESOURCES	
Federal grant receipts	43,609
FUND BALANCE	
Assigned (Deficit)	<u>(268)</u>
TOTAL LIABILITIES, DEFERRED INFLOW OF RESOURCES, AND FUND BALANCES	<u><u>\$83,792</u></u>
Reconciliation of the Balance Sheet of Governmental Fund To the Statement of Net Position:	
Fund balance - assigned (deficit) - General Fund	(\$268)
Net position of governmental activities (deficit) (Statement A)	<u><u>(\$268)</u></u>

The accompanying notes are an integral part of this statement.

WORKFORCE INVESTMENT BOARD #82
Monroe, Louisiana

STATEMENT OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCE - GOVERNMENTAL FUND
For the Year Ended June 30, 2014

	<u>GENERAL FUND</u>
REVENUES	
Intergovernmental revenue - federal grants	\$842,513
Charges for services - PHOCAS	40,237
Interest earnings	61
Total revenues	<u>882,811</u>
EXPENDITURES - Workforce Development	
Accounting and audit services	13,170
Advertising and subscriptions	395
Bank fees	707
Board, council, and staff travel, meetings and other fees	5,308
CSC rent/lease	39,624
Equipment rental and maintenance	4,968
Incentive grant expenses	23,325
Legal services	53
Liability insurance	10,477
Monitoring	10,391
North Delta Regional Planning and Development District	117,200
Northeast Louisiana Workforce Centers	386,806
Office supplies	15,607
Program participant expenses	196,505
PHOCAS expenses	40,109
Postage and shipping	1,230
Training materials	2,236
Utilities and telephone	11,051
Van maintenance and fuel	4,295
Total expenditures	<u>883,457</u>
NET CHANGE IN FUND BALANCE	(646)
FUND BALANCE AT BEGINNING OF YEAR	<u>378</u>
FUND BALANCE AT END OF YEAR (Deficit)	<u><u>(\$268)</u></u>

(Continued)

The accompanying notes are an integral part of this statement.

WORKFORCE INVESTMENT BOARD #82
Monroe, Louisiana

STATEMENT OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCE - GOVERNMENTAL FUND (Contd.)
For the Year Ended June 30, 2014

GENERAL
FUND

**Reconciliation of the Statement of Revenues, Expenditures, and
Changes in Fund Balance of Governmental Fund to
the Statement of Activities:**

Net change in fund balance - General Fund	(\$646)
Change in net position of governmental activities (Statement B)	<u>(\$646)</u>

(Concluded)

The accompanying notes are an integral part of this statement.

WORKFORCE INVESTMENT BOARD #82
Monroe, Louisiana

Notes to the Financial Statements
As of and for the Year Ended June 30, 2014

INTRODUCTION

Workforce Investment Board #82 is a nonprofit corporation organized to provide policy for the Local Workforce Investment Area 82 (LWIA 82) along with the Chief Elected Officials for LWIA 82 and their designated Chief Elected Official in regard to requirements of the Workforce Investment Act of 1998. LWIA 82 consists of the parishes of Union, Morehouse, and West Carroll, Louisiana. The functions of the Board include submission of the local workforce investment plan, selection of Business and Career Solutions Center operators, selection of youth providers, identification of eligible providers of training services, identification of eligible providers of intensive services, budgeting and administration, program oversight, negotiation of local performance measures, and the receipt of additional federal, non-federal, state, and other workforce funds, as an integrated system.

At June 30, 2014, Workforce Investment Board #82 consists of 25 members appointed by the designated Chief Elected Official of LWIA 82, 11 of which are from the private sector. The board members serve without benefit of compensation.

The Union Parish Police Jury is the designated grant recipient for LWIA 82. The grant recipient accepts full responsibility for funds expended under the Workforce Investment Act and assures that all funds provided will be expended according to limitations set forth in the Act, federal and state regulations, policies and procedures and the approved local workforce investment plan. It is the responsibility of the grant recipient to reimburse the Louisiana Workforce Commission for any questioned costs which are ultimately disallowed by the U. S. Department of Labor.

Although organized as a nonprofit corporation, the Board follows governmental reporting standards, as set by the Governmental Accounting Standards Board because it is considered to be a quasi-public organization. The definition of a quasi-public organization as provided in Louisiana Revised Statute 24:513 A(1)(b) includes nonprofit organizations whereby a majority of the governing body is appointed by an individual governmental official as part of his official duties. As noted above, members of the Board are appointed by the designated Chief Elected Official of LWIA 82 who is a governmental official.

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

A. Government-Wide and Fund Financial Statements

The government-wide financial statements (i.e., the statement of net position and the statement of activities) report information on all of the activities of the Workforce Investment Board #82.

The statement of activities demonstrates the degree to which the direct expenses of a given function or segment are offset by program revenues. Direct expenses are those that

WORKFORCE INVESTMENT BOARD #82
Notes to the Financial Statements

are clearly identifiable with a specific function or segment. Program revenues include 1) charges to customers or applicants who purchase, use, or directly benefit from goods, services, or privileges provided by a given function or segment and 2) grants and contributions that are restricted to meeting the operational or capital requirements of a particular function or segment. Interest earnings are reported as general revenues.

Separate financial statements are provided for governmental funds. All individual governmental funds are reported as separate columns in the fund financial statements. The Workforce Investment Board #82 has only one governmental fund.

**B. Measurement Focus, Basis of Accounting, and
Financial Statement Presentation**

The government-wide financial statements are reported using the economic resources measurement focus and the accrual basis of accounting. Revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of related cash flows.

Governmental fund financial statements are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Revenues are recognized as soon as they are both measurable and available. Revenues are considered to be available when they are collectible within the current period or soon enough thereafter to pay liabilities of the current period. For this purpose, revenues are considered to be available if they are collected within 60 days of the end of the current fiscal period. Expenditures generally are recorded when a liability is incurred, as under accrual accounting.

Revenue from federal grants and charges for services associated with the current fiscal period are considered to be susceptible to accrual and so have been recognized as revenues of the current fiscal period. Interest earnings are considered to be measurable and available only when cash is received by the Board.

The Workforce Investment Board #82 reports the following governmental fund:

General Fund

The General fund is the general operating fund of the Board and accounts for all financial resources.

C. Deposits

Cash includes amounts in an interest-bearing demand deposit and petty cash.

D. Receivables

Receivables are generally shown net of an allowance for uncollectible amounts. These statements contain no provision for uncollectible accounts. The Board is of the opinion that such an allowance would be immaterial in relation to the financial statements taken as a whole.

E. Deferred Inflows of Resources

In addition to liabilities, the statement of financial position will sometimes report a separate section for deferred inflows of resources. This separate financial statement element, *Deferred Inflows of Resources*, represents an acquisition of net position that applies to a future period and so will not be recognized as revenue until then. Federal grant receipts that are received before the expenditures are incurred are reported as deferred inflows of resources.

F. Net Position/Fund Balance

For the government-wide statement of net position, net position is reported as restricted when constraints placed on net position are either:

1. externally imposed by creditors (such as debt covenants), grantors, contributors, or laws or regulations of other governments; or
2. imposed by law through constitutional provisions or enabling legislation.

Fund balance for governmental funds is reported in classifications that comprise a hierarchy based primarily on the extent to which the government is bound to honor constraints on the specific purposes for which funds can be spent. Fund balance should be reported as restricted when constraints on the use of the funds meet the same criteria as restricted net position in the government-wide statement of net position as noted in the previous paragraph. Amounts that can only be used for specific purposes pursuant to constraints imposed by formal action of the Board of Directors are reported as committed fund balance. Assigned fund balance are amounts that are constrained by the Board's intent to be used for specific purposes, but are neither restricted nor committed. The Board of Directors is authorized to assign amounts to a specific purpose. Unassigned fund balance is the residual classification and represents fund balance that has not been restricted, committed, or assigned to a specific purpose.

At June 30, 2014, the General Fund fund balance is reported as assigned because all of the Board's resources are used for workforce development.

WORKFORCE INVESTMENT BOARD #82
Notes to the Financial Statements

G. Estimates

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect certain reported amounts of assets and liabilities, disclosures, and revenues, expenditures, and expenses during the reporting period. Actual results could differ from those estimates.

**2. STEWARDSHIP, COMPLIANCE, AND
ACCOUNTABILITY**

Budget Information

The Workforce Investment Board #82 uses its annual budget for management purposes only and the budget is not legally adopted by the board; consequently, no budgetary comparison schedules are presented in this report.

3. DEPOSITS IN FINANCIAL INSTITUTIONS

At June 30, 2014, the Board has cash(book balances) as follows:

Interest bearing checking account	\$70,925
Petty cash	<u>250</u>
Total	<u><u>\$71,175</u></u>

These deposits are stated at cost, which approximates market. These deposits are secured from risk by federal deposit insurance.

4. ACCOUNTS RECEIVABLE

Accounts receivable at June 30, 2014, in the amount of \$12,617, consists of the following:

Federal grants	\$6,113
Charges for services - PHOCAS	500
Due from North Delta Regional Planning and Development District	411
Due from Northeast Louisiana Workforce Centers	5,593
Allowance for doubtful accounts	<u>NONE</u>
Total	<u><u>\$12,617</u></u>

WORKFORCE INVESTMENT BOARD #82
Notes to the Financial Statements

5. ACCOUNTS PAYABLE

Accounts payable at June 30, 2014, in the amount of \$40,451, consists of the following:

Amounts due vendors	\$33,638
Accrued wages and salaries - participants	4,925
Payroll liabilities - participants payroll	<u>1,888</u>
Total	<u>\$40,451</u>

6. CONTINGENCIES

During the year ended June 30, 2014, the Board received \$842,513 in grant revenues from the United States Department of Labor passed through the Louisiana Workforce Commission for workforce development in LWIA 82. Costs charged to the grant programs are subject to audit and adjustment by the grantor agencies; therefore, to the extent that the Board has not complied with the rules and regulations governing the grant, refunds of any money received may be required. In the opinion of the Board's management, there are no significant contingent liabilities relating to compliance with the rules and regulations governing the grants; therefore, no provision has been recorded in the accompanying financial statements for such contingencies.

7. SUBSEQUENT EVENTS

Effective October 1, 2014, Workforce Investment Board #83 assumed the duties and responsibilities of fiscal agent for the Board.

Management of the Board has evaluated subsequent events through December 22, 2014, the date which the financial statements were available to be issued.

SUPPLEMENTAL INFORMATION SCHEDULE

WORKFORCE INVESTMENT BOARD #82
Monroe, Louisiana

SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
For the Year Ended June 30, 2014

Federal Grantor/Program Title	Federal CFDA Number	Federal Expenditures
United States Department of Labor:		
Passed through Louisiana Workforce Commission:		
Workforce Investment Act (WIA) - Adult Program	17.258	\$299,346
Workforce Investment Act (WIA) - Youth Activities	17.259	359,244
Workforce Investment Act (WIA) - Dislocated Workers	17.278	135,754
Workforce Investment Act (WIA) - Incentive Grants - WIA Section 503	17.267	<u>48,169</u>
Total WIA programs		<u><u>\$842,513</u></u>

Note to the Schedule of Expenditures of Federal Awards

Note A - Basis of Presentation

The above schedule of expenditures of federal awards includes the federal grant activity of Workforce Investment Board #82 for the year ended June 30, 2014 and is presented on the accrual basis of accounting. The information in this schedule is presented in accordance with the requirements of OMB Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*. Therefore, some amounts presented in this schedule may differ from amounts presented in, or used in the preparation of, the basic financial statements. \$386,806 of the total WIA program expenditures were provided to subrecipients.

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Certified Public Accountant
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Independent Auditor's Report on
Internal Control Over Financial Reporting and on
Compliance and Other Matters
Based on an Audit of Financial Statements
Performed in Accordance with *Government Auditing Standards*

BOARD OF DIRECTORS
WORKFORCE INVESTMENT BOARD #82
Monroe, Louisiana

I have audited, in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States; and the *Louisiana Governmental Audit Guide*, issued by the Society of Louisiana Certified Public Accountants and the Louisiana Legislative Auditor, the financial statements of the governmental activities and major fund of Workforce Investment Board #82 (the "Board"), as of and for the year ended June 30, 2014, and the related notes to the financial statements, which collectively comprise the Board's basic financial statements and have issued my report thereon dated December 22, 2014.

Internal Control Over Financial Reporting

In planning and performing my audit, I considered the Board's internal control over financial reporting (internal control) to determine the audit procedures that are appropriate in the circumstances for the purpose of expressing my opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the Board's internal control. Accordingly, I do not express an opinion on the effectiveness of the Board's internal control.

My consideration of internal control was for the limited purpose described in the preceding paragraph and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies and therefore, material weaknesses or significant deficiencies may exist that were not identified. However, as described in the accompanying schedule of findings and questioned costs, I identified certain deficiencies in internal control that I consider to be material weaknesses.

A deficiency in internal control exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent or detect and correct misstatements on a timely basis. A material weakness is a deficiency, or a combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the Board's financial statements will not be prevented, or detected and corrected on a timely basis.

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Member of the Society of Louisiana of Certified Public Accountants

BOARD OF DIRECTORS
WORKFORCE INVESTMENT BOARD #82
Monroe, Louisiana
Independent Auditor's Report
on Compliance and on
Internal Control, etc.,
June 30, 2014

I consider the deficiencies described in the accompanying Schedule of Findings and Questioned Costs with Management's Response and Planned Corrective Action as 2014-001 and 2014-002 to be material weaknesses.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether the Board's financial statements are free of material misstatement, I performed tests of the Board's compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of my audit and, accordingly, I do not express such an opinion. The results of my tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

Board's Responses to Findings

The Board's responses to the findings identified in my audit are described in the accompanying Schedule of Findings and Questioned Costs with Management's Response and Planned Corrective Action. The Board's responses were not subjected to the auditing procedures applied in the audit of the financial statements and, accordingly, I express no opinion on the responses.

Purpose of this Report

The purpose of this report is solely to describe the scope of my testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the Board's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Board's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

/s Carleen Dumas
Calhoun, Louisiana
December 22, 2014

M. CARLEEN DUMAS
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**Independent Auditor's Report on Compliance for
Each Major Federal Program and Report on Internal Control over Compliance
Required by OMB Circular A-133**

BOARD OF DIRECTORS
WORKFORCE INVESTMENT BOARD #82
Monroe, Louisiana

Report on Compliance for Each Major Federal Program

I have audited Workforce Investment Board #82's (the "Board") compliance with the types of compliance requirements described in the *OMB Circular A-133 Compliance Supplement*, that could have a direct and material effect on the Board's major federal program for the year ended June 30, 2014. The Board's major federal program is identified in the summary of auditor's results section of the accompanying Schedule of Findings and Questioned Costs with Management's Response and Planned Corrective Action.

Management's Responsibility

Management is responsible for compliance with the requirements of laws, regulations, contracts, and grants applicable to its federal programs.

Auditor's Responsibility

My responsibility is to express an opinion on compliance for Workforce Investment Board #82's major federal program based on my audit of the types of compliance requirements referred to above. I conducted my audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and OMB Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*. Those standards and OMB Circular A-133 require that I plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal program occurred. An audit includes examining, on a test basis, evidence about the Board's compliance with those requirements and performing such other procedures as I considered necessary in the circumstances.

I believe that my audit provides a reasonable basis for my opinion on compliance for the Board's major program. However, my audit does not provide a legal determination of the Board's compliance.

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BOARD OF DIRECTORS
WORKFORCE INVESTMENT BOARD #82
Monroe, Louisiana
Independent Auditor's Report
on Compliance for Each Major
Federal Program and Report on
Internal Control Over Compliance, etc.,
June 30, 2014

**Basis for Qualified Opinion on Department of Labor -
CFDA 17.258, 17.259, 17.278 - WIA Adult Program,
WIA Youth Activities, WIA Dislocated Workers**

As described in the accompanying Schedule of Findings and Questioned Costs with Management's Response and Planned Corrective Action, the Workforce Investment Board #82 did not comply with requirements regarding CFDA 17.258, 17.259, 17.278 - WIA Adult Program, WIA Youth Activities, WIA Dislocated Workers as described in finding numbers 2014-003 for Earmarking and 2014-004 for Reporting. Compliance with such requirements is necessary, in my opinion, for the Board to comply with the requirements applicable to that program.

**Qualified Opinion on Department of Labor -
CFDA 17.258, 17.259, 17.278 - WIA Adult Program,
WIA Youth Activities, WIA Dislocated Workers**

In my opinion, except for the noncompliance described in the Basis for Qualified Opinion paragraph, Workforce Investment Board #82 complied, in all material respects, with the compliance requirements referred to above that could have a direct and material effect on CFDA 17.258, 17.259, 17.278 - WIA Adult Program, WIA Youth Activities, WIA Dislocated Workers for the year ended June 30, 2014.

Other Matters

Workforce Investment Board #82's responses to the noncompliance findings identified in my audit are described in the accompanying Schedule of Findings and Questioned costs with Management's Response and Corrective Action. Workforce Investment Board #82's responses were not subjected to the auditing procedures applied in the audit of compliance and, accordingly, I express no opinion on the response.

Report on Internal Control Over Compliance

Management of the Board is responsible for establishing and maintaining effective internal control over compliance with the types of compliance requirements referred to above. In planning and performing my audit of compliance, I considered the Board's internal control over compliance with the types of requirements that could have a direct and material effect on its major federal program to determine the auditing procedures that are appropriate in the circumstances for the purpose of expressing an opinion on compliance for the major federal program and to test and report on internal control over compliance in accordance with OMB Circular A-133, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, I do not express an opinion on the effectiveness of the Board's internal control over compliance.

BOARD OF DIRECTORS
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June 30, 2014

My consideration of internal control over compliance was for the limited purpose described in the preceding paragraph and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies and therefore, material weaknesses or significant deficiencies may exist that were not identified. However, as discussed below, I identified a certain deficiency in internal control over compliance that I consider to be a material weakness.

A deficiency in internal control over compliance exists when the design or operation of a control over compliance does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, noncompliance with a type of compliance requirement of a federal program on a timely basis. A material weakness in internal control over compliance is a deficiency, or combination of deficiencies, in internal control over compliance, such that there is a reasonable possibility that material noncompliance with a type of compliance requirement of a federal program will not be prevented, or detected and corrected, on a timely basis. I consider the deficiency in internal control over compliance described in the accompanying Schedule of Findings and Questioned costs with Management's Response and Corrective Action as item 2014-005 to be a material weakness.

Workforce Investment Board #82's response to the internal control over compliance finding identified in my audit is described in the accompanying Schedule of Findings and Questioned costs with Management's Response and Corrective Action. Workforce Investment Board #82's response was not subjected to the auditing procedures applied in the audit of compliance and, accordingly, I express no opinion on the response.

Purpose of Report

The purpose of this report on internal control over compliance is solely to describe the scope of my testing of internal control over compliance and the results of that testing based on the requirements of OMB Circular A-133. Accordingly, this report is not suitable for any other purpose.

/s Carleen Dumas
Callhoun, Louisiana
December 22, 2014

WORKFORCE INVESTMENT BOARD #82
Monroe, Louisiana

SCHEDULE OF FINDINGS AND QUESTIONED COSTS
WITH MANAGEMENT'S RESPONSE AND CORRECTIVE ACTION
For the Year Ended June 30, 2014

Section I - Summary of Auditor's Results

Financial Statements

1. Type of auditor's report issued - Unmodified.
2. Internal control over financial reporting:

Material weakness(es) identified? - Yes
Significant deficiency(ies) identified? - None reported
3. Noncompliance material to financial statements noted? - No

Federal Awards

1. Internal control over major programs:

Material weakness(es) identified? - Yes
Significant deficiency(ies) identified? - None reported
2. Type of auditor's report issued on compliance for major programs - Qualified.
3. Any audit findings disclosed that are required to be reported in accordance with Section 510(a) of OMB Circular A-133? - Yes
4. Identification of major programs:

Department of Labor:
CFDA Number: 17.258 WIA Adult Program
CFDA Number: 17.259 WIA Youth Activities
CFDA Number: 17.278 WIA Dislocated Workers
5. Dollar threshold used to distinguish between type A and type B programs - \$300,000.
6. Auditee qualified as low-risk auditee? - No

BOARD OF DIRECTORS
WORKFORCE INVESTMENT BOARD #82
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Schedule of Findings and Questioned Costs
With Management's Response and Corrective Action

Section II - Financial Statement Findings

2014-001. Inadequate Controls Over Preparation of Annual Financial Statements

Criteria: The Board is required to prepare annual financial statements in accordance with generally accepted accounting principles and should have internal controls in place to prevent, detect or correct a misstatement of those financial statements.

Condition: Due to its size and limited revenues for administrative functions, the Board does not have an individual with the expertise to perform these internal control functions effectively.

Effect: Misstatements in the financial statements may not be detected within a timely period.

Cause: The lack of administrative funding.

Recommendation: None

**Management's Response
and Corrective Action Plan:** Effective October 1, 2014, Workforce Investment Board #83 assumed the duties and responsibilities of fiscal agent for the Board.

**2014-002. Need to Improve Controls Over Maintenance of
Accounting Records**

Criteria: Management of the Board is responsible for establishing internal control policies and procedures that provide reasonable assurance that accounting records are maintained in such a manner that allow for the timely preparation of financial statements in accordance with generally accepted accounting principles.

Condition: The following deficiencies were noted in the internal controls over maintaining accurate and complete accounting records:

1. The checking account was not properly reconciled during the year. At June 30, 2014, cash in bank as recorded in the general ledger was understated by \$175,470.

BOARD OF DIRECTORS
WORKFORCE INVESTMENT BOARD #82
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Schedule of Findings and Questioned Costs
With Management's Response and Corrective Action

2. Approximately \$192,280 in federal grant receipts were not posted to the general ledger.

Effect: The failure to maintain accounting records in such a manner that allows for the timely preparation of financial statements in accordance with generally accepted accounting principles could result in material misstatement of the financial statements.

Cause: Oversight.

Recommendation: Bank accounts should be properly reconciled on a monthly basis to ensure that the accounting records are posted accurately and are complete.

Management's Response and

Planned Corrective Action: Effective October 1, 2014, Workforce Investment Board #83 assumed the duties and responsibilities of fiscal agent for the Board.

Section III - Federal Award Findings

CFDA 17.258, 17.259, 17.278 - WIA Adult Program, WIA Youth Activities, WIA Dislocated Workers

2014-003. Noncompliance with Earmarking Requirement

Criteria: Code of Federal Regulations Section 667.220 provides that costs incurred for accounting, budgeting, financial and cash management functions are considered administrative costs subject to the administrative cost limitations.

Condition: During the year ended June 30, 2014, the Board contracted with North Delta Regional Planning and Development District (North Delta) to provide fiscal services. The amount paid to North Delta for fiscal services during the year was \$48,000. Of this amount, \$36,000 was incorrectly recorded in the accounting records and reported to the Louisiana Workforce Commission (LWC) as program costs.

Questioned Costs: \$36,000.

Effect: Noncompliance with earmarking requirements.

BOARD OF DIRECTORS
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Schedule of Findings and Questioned Costs
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Cause: The amount paid to North Delta for fiscal services was allocated between administrative and program costs based on the 25/75 allocation used in the prior year when North Delta was not the fiscal agent for the Board.

Recommendation: The Board should take the necessary steps to ensure that amounts paid for fiscal services are allocated to administrative costs in accordance with federal program guidelines.

**Management's Response and
Planned Corrective Action:**

Effective October 1, 2014, Workforce Investment Board #83 assumed the duties and responsibilities of fiscal agent for the Board. The staff at North Delta Regional Planning and Development District will provide assistance to Workforce Investment Board #83 to resolve these findings that occurred while North Delta was acting as fiscal agent for the Board.

CFDA 17.258, 17.259, 17.278 - WIA Adult Program, WIA Youth Activities, WIA Dislocated Workers

2014-004. Noncompliance with Reporting Requirement

Criteria: Federal program requirements provide that financial reports submitted to pass-through entities agree to the underlying accounting records.

Condition: Management of the Board was required to submit monthly expenditure reports to the Louisiana Workforce Commission (LWC) covering WIA grant funds expended during the year. The total expenditures reported to LWC for the year ended June 30, 2014 were \$29,957 more than total WIA grant fund expenditures recorded in the general ledger.

Questioned Costs: \$29,957.

Effect: Noncompliance with reporting requirements.

Cause: The amount reported to LWC as North Delta expenses for the month of June 2014 was \$35,578. The actual June expenses for North Delta recorded in the accounting records for the month of June was \$11,114. The remainder of the difference was due to year end adjustments made to reconcile Northeast Louisiana Workforce Center's (NLWC) estimated expenses to actual expenses.

BOARD OF DIRECTORS
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Recommendation: The Board should take the necessary steps to ensure that amounts reported in monthly expenditure reports to LWC agree to the underlying accounting records.

**Management's Response and
Planned Corrective Action:** Effective October 1, 2014, Workforce Investment Board #83 assumed the duties and responsibilities of fiscal agent for the Board. The staff at North Delta Regional Planning and Development District will provide assistance to Workforce Investment Board #83 to resolve these findings that occurred while North Delta was acting as fiscal agent for the Board.

CFDA 17.258, 17.259, 17.278 - WIA Adult Program, WIA Youth Activities, WIA Dislocated Workers

2014-005. Inadequate Controls Over Preparation of Monthly Expenditure Reports

Criteria: Management of the Board is responsible for establishing internal control policies and procedures that provide reasonable assurance that financial reports are supported by the underlying accounting records.

Condition: The amount reported to LWC as North Delta expenses for the month of June 2014 was \$35,578. The actual June expenses for North Delta recorded in the accounting records for the month of June was \$11,114.

Questioned Costs: None

Effect: Expenditure amounts reported to LWC did not agree to the amounts recorded in the general ledger.

Cause: The expenditures recorded on the spreadsheet that was used to prepare the June 2014 monthly expenditure report to LWC did not agree to the expenditures recorded in the general ledger for the month of June 2014.

Recommendation: The Board should take the necessary steps to ensure that amounts reported in monthly expenditure reports to LWC are reconciled to the general ledger before the report is filed.

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Schedule of Findings and Questioned Costs
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**Management's Response and
Planned Corrective Action:**

Effective October 1, 2014, Workforce Investment Board #83 assumed the duties and responsibilities of fiscal agent for the Board. The staff at North Delta Regional Planning and Development District will provide assistance to Workforce Investment Board #83 to resolve these findings that occurred while North Delta was acting as fiscal agent for the Board.

WORKFORCE INVESTMENT BOARD #82
Monroe, Louisiana

SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS
For the Year Ended June 30, 2014

**Finding No. 2013-1. (Department of Labor CFDA 17.258, 17.259, 17.278 - WIA Adult Program
WIA Youth Activities, WIA Dislocated Workers)**

Condition: Management did not ensure that regular oversight and monitoring of its subrecipients was performed in accordance with federal regulations.

Current Status: The condition has been resolved.